Closure of Gold Mines in Kolar

867. SHRI T. A. MOHAMMED SAQHY:
SHRI V. GOPALSAMY:

Will the Minister of MINES be pleased to state:

(a) whether it is a fact that Bharat Gold Mines Limited has decided to close the Gold Mines in Kolar; if so, what are the reasons therefor; and

(b) what steps Government propose to take to prevent such closure and mass retrenchment.

THE MINISTER OF STATE OF THE MINISTRY OF MINES (SHRI BALRAM SINGH YADAV): (a) Due to increasing costs of production the gold ore, lesser content of gold in ore, and increasing costs of production, the gold mining operations have become uneconomic. Hence the old mines of Bharat Gold Mines Limited at Kolar Gold fields are being phased out.

(b) It is not possible to avoid closure of mines at Kolar which have become uneconomic. However, with a view to minimise retrenchment and unemployment of workers and lesser hardship, certain diversification schemes for Modernisation of Workshops and Strengthening of Project & Contract Division have been taken up apart from development of some shallow deposits of gold ore, provided they are economically viable.

New Integrated Steel Plant in Orissa

868. SHRI JAGADISH JANI: Will the Minister of STEEL be pleased to state:

(a) whether Government propose to set up an Integrated Steel Plant in Orissa;

(b) whether proposal has since been finalised;

(c) if so, the place identified for the location thereof;

(d) whether the plant is likely to be set up in the public sector or in the private sector; and

(e) the steps taken in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV): (a) to (e) A proposal for setting up a steel plant in Orissa at Daitari in the central public sector has been under consideration of the Government but a final investment decision could not be taken due to resource constraints. According to information received from the Government of Orissa, the State Government has recently entered into a Memorandum of Understanding with Dr. Swaraj Paul of the Caparo Group to set up an integrated steel plant in Orissa.

Visakhapatnam Steel Plant

869. SHRI MENTAY PADMANABHAM: Will the Minister of STEEL be pleased to state:

(a) whether Government's attention has been drawn to the news-item which appeared in Economic Times dated 1st November, 1991 under the caption "Work on at Visakhapatnam Steel Plant to meet August 92 deadline".

(b) if so, whether the required finance for completion of this plant have been firmly tied;

(c) what is the restructuring of the capital base required for the purpose;

(d) whether the existing capital base would result in losses; and

(e) if so, the details of projections and remedies being contemplated in that regard?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV): (a) Yes, Sir.

(b) The funds required for completion of the projects will be arranged by Government.

(c) to (e) On account of delay in the completion and commissioning of the project there has been cost over-run. Government is considering various options to restructure the capital base of Rashtriya Ispat Nigam Ltd. (VSP) so as to ensure its long-term viability.